

GKN WESTLAND AEROSPACE AVIATION SUPPORT LIMITED

REPORT OF THE DIRECTORS

The Directors present their report together with the accounts of the Company for the year ended 31 December 2005.

Results and Principal Activities

The Company has not traded during the year ended 31 December 2005 and there has been no income or expenditure.

Directors' and their Interests

Following the amendment of the Companies Act 1985 by the Companies (Audit, Investigations and Community Enterprise) Act 2004, the directors' indemnity provision in the Company's Articles of Association was amended. Pursuant to the Articles (as amended), the Company has executed a deed poll of indemnity for the benefit of the directors of the Company and persons who were directors of the Company during the financial year under review in respect of costs of defending claims against them and third party liabilities. These provisions are currently in force. The indemnity provision in the Company's Articles of Association also extends to provide a limited indemnity in respect of liabilities incurred as a director, secretary or officer of an associated company of the Company.

A copy of the deed poll of indemnity and of the Company's Articles of Association are available for inspection at the Company's registered office during normal business hours.

The Directors of the company are Mr M J S Bryson and Mr J P Armitage.

Mr G Chisnall retired as a Director on 18 November 2005. The Directors wish to record their appreciation of his service to the Company.

Mr J P Armitage was appointed a Director of the Company on 22 April 2005.

The shareholdings, options and awards of Mr M J S Bryson and Mr J P Armitage are disclosed in the accounts of GKN Westland Aerospace Holdings Ltd, the company's immediate parent company.

On behalf of the Board

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Andrew Dutton
Secretary

17 May 2006



GKN WESTLAND AEROSPACE AVIATION SUPPORT LIMITED

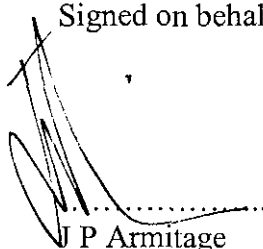
Balance sheet at 31 December 2005 and 31 December 2004

| ASSETS | Notes | £ |
|---------------------------------------|-------|-----------------|
| Debtors | 1 | 315,000 |
| NET CURRENT ASSETS | | 315,000 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>315,000</u> |
| CAPITAL AND RESERVES | | |
| Called up share capital | 2 | 400,000 |
| Profit and loss account | | <u>(85,000)</u> |
| Equity shareholders' funds | | <u>315,000</u> |

Under Section 249AA(1) of the Companies Act 1985 (the 'Act'), the Company was entitled to exemption from the provisions of Part VII of the Act relating to the audit of accounts in respect of the year ended 31 December 2005. No member or members have requested an audit pursuant to Section 249B(2) of the Act. The Directors acknowledge their responsibility for ensuring that the Company keeps accounting records which comply with Section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year in accordance with the requirements of Section 226 of the Act and which otherwise comply with the requirements of the Act relating to accounts.

The Company has during the year acted as an agent for GKN Aerospace Services Ltd.

Signed on behalf of the Board



J P Armitage

Director

12 May 2006

GKN WESTLAND AEROSPACE AVIATION SUPPORT LIMITED

Notes to the financial statements for the year ended 31 December 2005

1. Debtors

| | 31.12.2005 | 31.12.2004 |
|--|------------|------------|
| | £ | £ |
| Receivable after more than one year: | | |
| Current account with fellow subsidiary | 315,000 | 315,000 |
| | ===== | ===== |

2. Share Capital

| | 31.12.2005 and 31.12.2004 |
|----------------------------|---|
| | Issued, called up and fully paid |
| | £ |
| | £ |
| Ordinary shares of £1 each | 400,000 |
| | 400,000 |
| | ===== |

3. Ultimate and immediate parent companies

GKN plc and GKN Westland Aerospace Holdings Limited, are the ultimate and immediate parent companies respectively. Copies of the accounts may be obtained from Ipsley House, PO Box 55, Redditch, Worcestershire, B98 0TL.